



# **NAVAL POSTGRADUATE SCHOOL**

**MONTEREY, CALIFORNIA**

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## **MBA PROFESSIONAL REPORT**

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**Earmarks and the FY 2005 Defense Appropriations Act:  
A Study of Congressional Control of DOD**

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**By: John J. Bergeron  
June 2005**

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**EARMARKS AND THE FY 2005 DEFENSE APPROPRIATIONS ACT:  
A STUDY OF CONGRESSIONAL CONTROL OF DOD**

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Submitted in partial fulfillment of the requirements for the degree of

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from the

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The purpose of this project was to analyze how Congress controls the Department of Defense (DOD) through the budget review process. The project looks at the Congressional marks made to the Defense Appropriations Act. During the Congressional review of the Defense Budget, changes are made by Congress in order to control the DOD. These changes are not requested by the DOD and in many cases may be programs that are of special interest to members of Congress. This thesis is about how Congress uses earmarks to control the DOD. It considers the extent to which these changes are in the best interest of the National Defense. This project analyzed the Defense Appropriations Act for Fiscal Year 2005 with special regard to the US Marine Corps accounts.

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## **I. INTRODUCTION**

### **A. PURPOSE**

The main purpose of this research is to analyze the Congressional review of the Defense budget. A more specific goal is to provide insight into how the Congress controls the Department of Defense (DOD) through the appropriations process. The National Defense Appropriations Act of Fiscal Year (FY) 2005 was the main focus for this study. Additionally this thesis looks at the specific congressional changes to Marine Corps budget requests and programs.

### **B. BACKGROUND**

The Constitution gives Congress the power to control the purse for the federal government. With this power Congress controls government agencies, to include DOD, through annual review of the President's budget. As part of this oversight by the Congress changes, additions and deletions are made to the federal budget by both the Senate and the House. These changes to the defense budget have continued to grow year after year, from just 62 in the fiscal year 1980 Defense Appropriations Act, totaling \$8.9 billion (2004 dollars), to 2,671 in FY 2005, with a total dollar amount of over \$12.2 billion. [Ref 1]

### **C. METHODOLOGY**

The research included a literature search of books, magazine articles, journals, World Wide Web, DOD references as well as other library information resources. It also included phone inquiries, electronic mail and personal interviews with individuals who recently participated in, or have an in-depth knowledge of the appropriations process. The primary source of information was Defense Appropriations Legislation.

#### **D. SCOPE**

The scope of the research includes four phases. The first is a breakdown of the Congressional budget process, from the Budget Resolution to the Authorization Act to the Appropriations Act. That is followed up by a description of how the Congress uses the budget review process to control the DOD. Next is an in depth analysis of the FY 2005 Appropriations Act. A sample analysis is taken from the US Marine Corps appropriations to find out what effect the Congress has on the military services. Accounts such as Operations and Maintenance, Procurement and Military Personnel are reviewed. Finally an assessment is made as to whether the Congress has a positive or negative effect on our national defense.

#### **E. THESIS OUTLINE**

The thesis consists of an overview of the Congressional budget process from submission of the President's budget to when the bills are signed into Law. Also we look at how the budget review is used by members of Congress to control the DOD. Then we analyze the Defense Appropriations Act to find trends in the way Congress influences DOD policy and management as well as look at the control measures used in the language of the bill and how they impact on DOD. In chapter four, we examine a sample of appropriation earmarks from the Conference Report. The sample is examined to identify which Congressional additions and reductions to the Defense budget are legitimate guidance and control of DOD versus "pork" spending. In the end, we try to conclude as to whether the Congress is adding "pork" to the Defense budget or are they caring out their congressional duty of oversight and ensuring that DOD priorities are appropriate.



## **II. CONGRESSIONAL DEFENSE BUDGET PROCESS**

### **A. OVERVIEW**

The Congressional defense budget process begins with the submission of the President's annual budget, which is due the first Monday in February. The Congress then reviews the budget submission and determines what will actually be funded. The Constitution of the United States, gives the Congress the power to tax and to spend federal monies. "No money shall be drawn from the treasury, but in consequence of appropriations made by law, and a regular statement and account of receipts and expenditures of all public money shall be published from time to time." [Ref 4]

The submission of the federal budget by the President in early February is only a place to start for the Congress. The Congressional review process and approval of the budget will take several months of deliberations and hearings. The process stems from the Congressional Budget and Impoundment Control Act (CBA) of 1974 which also sets up the time tables for Congress to act on the federal budget. The process for the DOD is broken into three distinct parts: step one is the Budget Resolution, step two is the Defense Authorization Act and the third step is the Defense Appropriations Act.

The Congressional Budget Office (CBO) prepares a budget and economic outlook for the Congress prior to the submission of the President's budget. This document is then used as a means to begin analysis of the budget once it is received. The CBO review of the President's budget is completed in about six weeks from the date the budget is received, in order that it can be considered by the Budget, Authorization and Appropriations committees. [Ref 5]

### **B. CONGRESSIONAL BUDGET RESOLUTION**

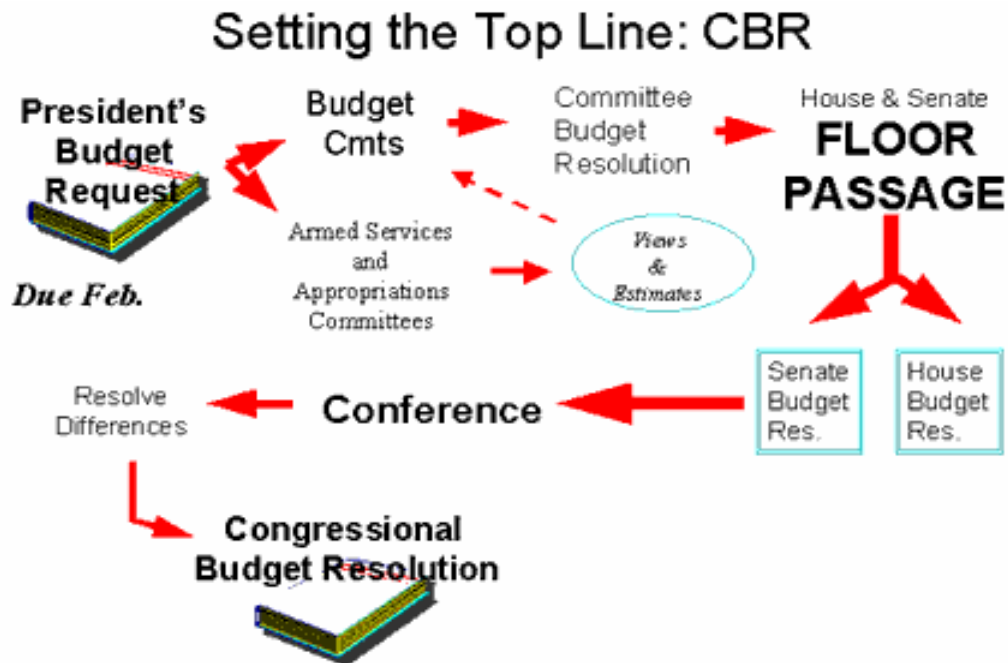
The Budget Resolution is not signed into law, but is merely the budget plan to help guide the process. The Congress reviews the National budget priorities and then establishes the revenue floors as well as ceilings for budget authority and total outlays. The Budget Resolution will also divide these amounts into twenty categories, which are

called “budget functions” (Table 1), thus setting amounts for the national defense budget function. [Ref 5] Though the resolution sets the targets for national defense it does not dictate funding to each program. These amounts set in the resolution are not binding but are designed to help guide the authorization and appropriations processes as the Congress proceeds with deliberations.

050	National Defense	550	Health
150	International Affairs	570	Medicare
250	Space and Science	600	Income Security
270	Energy	650	Social Security
300	National Resources	700	Veteran’s Benefits
350	Agriculture	750	Justice
370	Commerce	800	General Government
400	Transportation	900	Net Interest
450	Community Development	920	Allowances
500	Education and Training	950	Undistributed Receipts

**Table 1. Budget Functions**

Six weeks after the Presidents Budget is submitted, the Defense Authorization and Appropriations committees, from both houses of Congress, must submit their estimates to the budget committees as to what they feel the size of the defense budget should be. Usually the estimates look to increase the budget as well as to call further attention to issues of importance to that committee. [Ref 4] The House Budget Committee and the Senate Budget Committee will each pass separate versions of the Budget Resolution. Then the resolutions are reviewed by the full House and Senate. After passage, the resolutions are sent to the conference committee. The conference committee will resolve any differences in order to reach a final Congressional Budget Resolution. In Figure 1 on the following page the chart shows how the Budget Resolution proceeds through the process. [Ref 4]



**Figure 1. Congressional Budget Resolution Process (CBR)**

The CBA of 1974 requires Congress to complete the Budget Resolution by the 15<sup>th</sup> of April, in order that the Authorization and Appropriations committees can pass their bills prior to the start of a new fiscal year. But in reality, the timetable for the submission of the Budget Resolution often slips, requiring the authorization and appropriations processes to proceed without established funding targets. “After May 15, the House floor can consider appropriations bills regardless of whether a budget resolution has been approved. In all but four of the last 24 years, the budget resolution was adopted after May 15.” [Ref 13]

### **C. DEFENSE AUTHORIZATION**

The defense budget then goes into the authorization process. The authorizing legislation is used by Congress to establish, continue or modify programs. The Authorization Act will set the scope of programs as well as authorize funding levels for the start of specific programs and sets the time frame in which they will exist.

Authorizations do not set the budget authority. The budget authority can only be established in the Appropriations Act. But the Authorization Act does define policy, for example the Defense Authorization Act will set the limit on size of the force, establish military pay raises and entitlements, etc.

The process starts as hearings are held by the Armed Services Committees from both the Senate and the House. Each subcommittee and committee will make their changes as to what should be authorized. The House Armed Services Committee and the Senate Armed Services Committee will each pass separate versions of the authorization bill. Once completed the bills are reviewed and amended by the full House and Senate. After passage of the bills in each house, the bills are sent to the conference committee. The conference committee is where any differences are worked out and a final compromise is reached. The revised bill that results from the action of the Conference Committee will be presented for a final vote by the full House and Senate. Once approved the bill will then be forwarded to the President to be signed into law and thus becomes the new Authorization Act. In figure 2 below the process of how the authorization bill becomes a law is shown. [Ref 4]



Figure 2. Defense Authorization Process

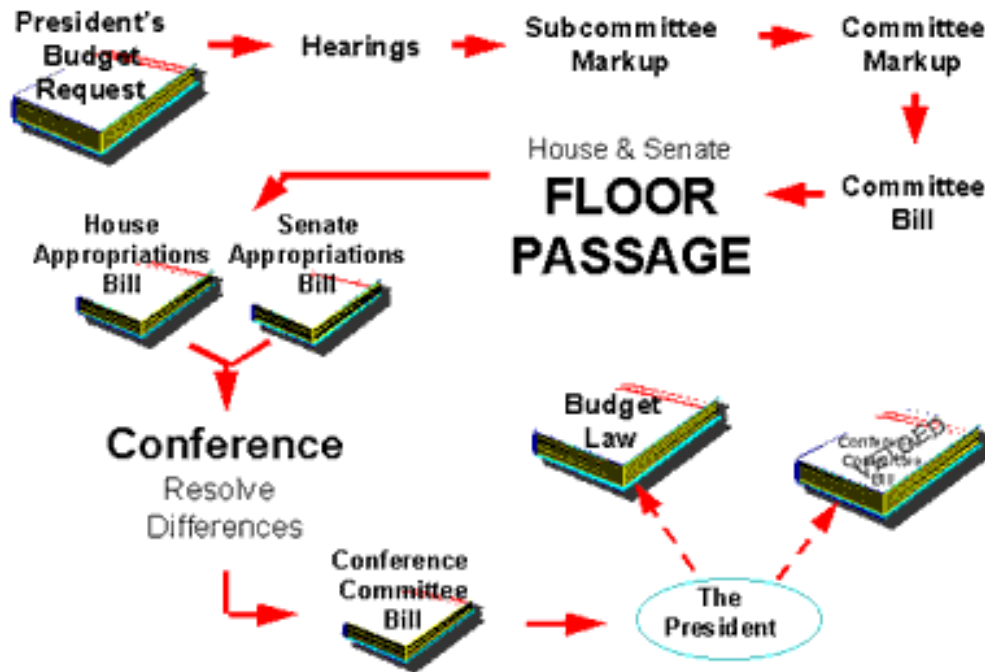
There are no established deadlines for the Authorization Act, but passage of the act by the end of the fiscal year is the goal of the Congress. In many cases the Authorization Act is delayed past the end of the fiscal year.

#### **D. DEFENSE APPROPRIATIONS**

The appropriations process actually provides the funds for each program within the defense budget. Under the CBA, appropriations committees have the power to allocate the total discretionary spending between the defense and non-defense programs. [Ref 4] Appropriations actually provide the budget authority to each agency and program in order for them to be able to legally operate.

As is the case with the authorizations bill, the appropriation committees will often begin deliberations without the Budget Resolution being passed. It has been by precedent that the Appropriations Act begins in the House. Once the House subcommittees and committees have approved their version of the bill, it will go before the full House. When the House completes its work on the bill it goes to the Senate. Though at times the Senate has begun marking up the bill prior to the House completing its version. The Senate subcommittees and committees will also markup the bill making changes that address each committee's interests. The committee bill will then go for a vote by the full Senate. Then, the conference committee will work to resolve differences in the House and Senate versions to reach a final version of the bill. The appropriations bill will then be voted on by the full House and Senate and, when approved, will be presented to the President for signature. The appropriations process is depicted in Figure 3 on the following page. [Ref 4]

# Purse Strings: Defense Appropriations



**Figure 3. Defense Appropriations Process**

The CBA does not set a deadline for the Appropriations Act to be passed, but as with the Authorization Act, the goal remains that the act be passed prior to the start of a new fiscal year. If passage of the Act slips past the end of the fiscal year there will be no new budget authority in place with which to run the government. Then Congress must pass a Continuing Resolution in order to continue non-essential government operations in the absence of an Appropriations Act. “The Continuing Resolution is Legislation in the form of a joint resolution enacted by Congress, when the new fiscal year is about to begin or has begun, to provide budget authority for Federal agencies and programs to continue in operation until the regular appropriations acts are enacted.” [Ref 7]

The Congress, in its review, may only change a small percentage of the total budget, but the dollar amounts that are changed can be quite large. The Congressional adjustments affected over \$12 billion in the FY 2005 budget. [Ref 1] At times the DOD may feel that Congress is tampering with its budget, a budget that has taken many months

and countless hours of hard work to construct. However, it is the responsibility of the Congress to oversee and approve DOD programs. For this reason the Congress will spend at least eight months hearing testimonies, asking questions and deliberating alternatives and amendments. The final products for the Congressional Defense Budget process are the Defense Authorizations Act and the Defense Appropriations Act.

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### **III. FY05 DEFENSE APPROPRIATIONS ACT**

#### **A. OVERVIEW**

In this chapter, we take a look at the FY 2005 Defense Appropriations Act that was signed into law by the President on August 5, 2004. The analysis of the act will focus on the earmarks, both cuts and additions, made by the Congress to adjust the Defense budget request. It is an attempt to look at how these adjustments set legitimate Defense guidance and policy and how the Congress uses them to influence how funds will be used for national defense.

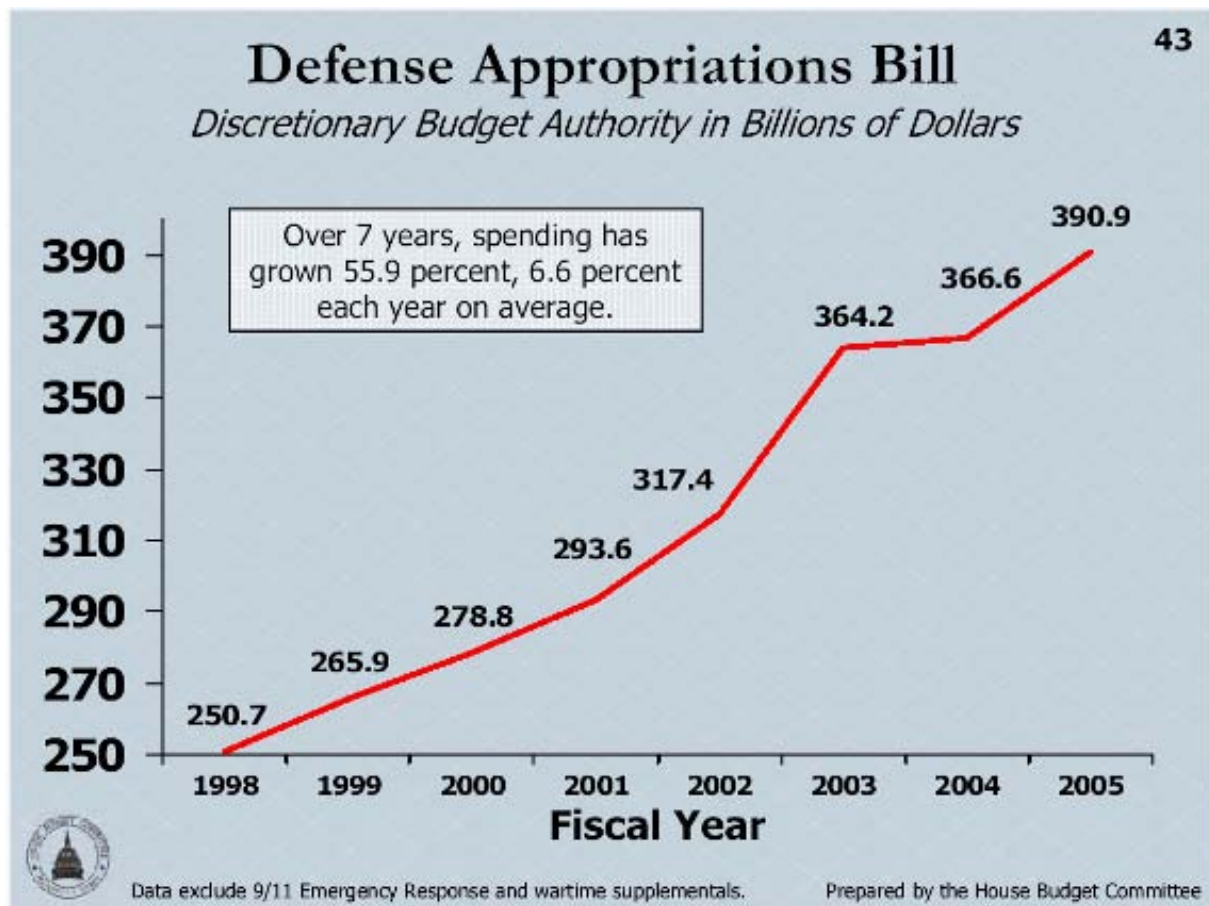
The FY 2005 Defense Appropriations Act was one of the largest in history, totaling \$416.2 billion, which included \$25 billion in emergency spending required for continued operations in the Global War on Terror. This amount appropriated by Congress was actually \$1.6 billion less than what the President had originally requested for the Defense budget. Table 2 is a summary of the major accounts funded in the FY 2005 Appropriations Act. [Ref 9]

Military Personnel:	\$103,731,158,000
Operation and Maintenance:	\$121,062,969,000
Procurement:	\$77,679,803,000
Research, Development, Test and Evaluation:	\$69,932,182,000
Revolving and Management Funds:	\$2,378,836,000
Other Department of Defense Programs:	\$20,655,510,000
Emergency Wartime Appropriation:	\$25,000,000,000

**Table 2. Summary of FY 2005 Appropriations Act by Major Account**

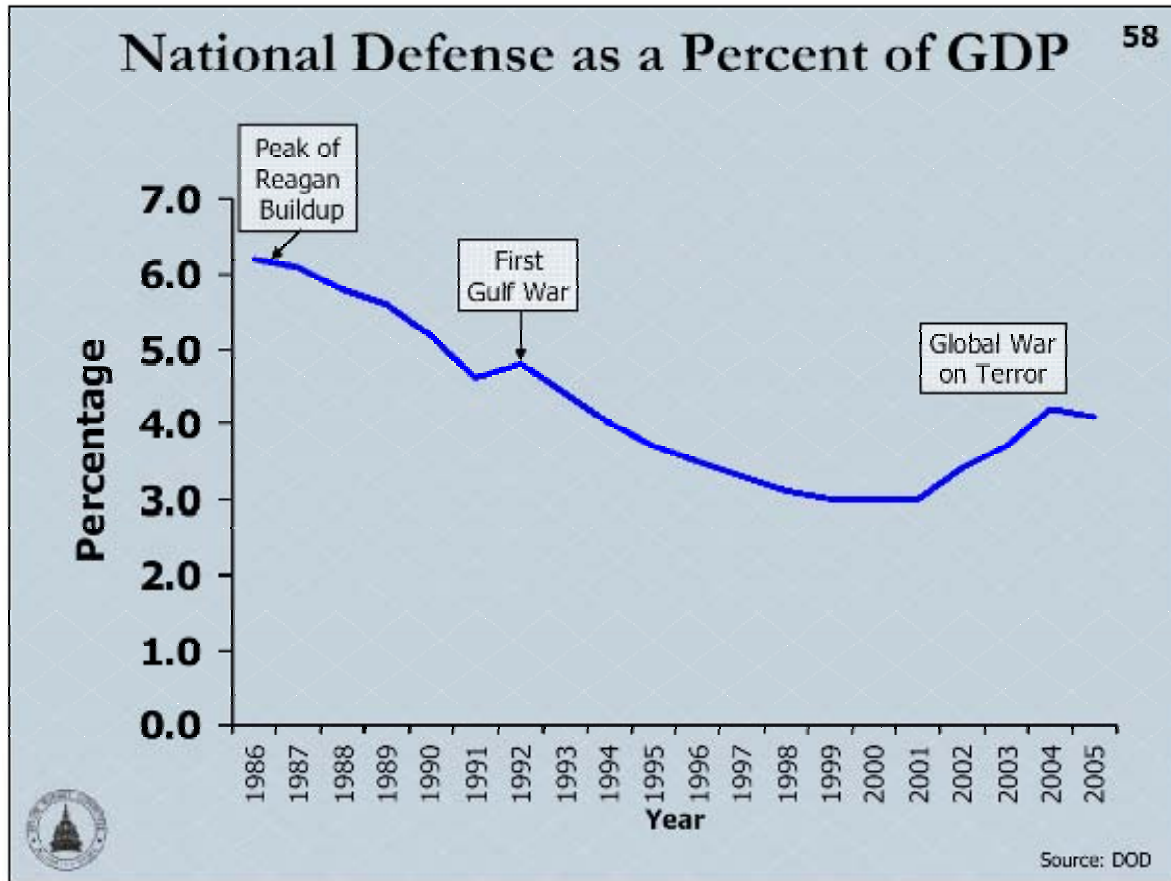
The Defense Budget, currently at \$391 billion for FY 2005, (excluding supplemental and emergency funding) was an increase of \$23.8 billion over the prior year appropriations, a plus up of 6.4 percent. For the past seven years, we have seen the Defense Appropriations Act grow by a total of 55%. This is an annual increase averaging

approximately 6.6 percent per year over that seven year period. Figure 4 depicts the year by year growth in the dollar amounts passed in the Defense Appropriations Act. [Ref 8]



**Figure 4. Growth in Defense Appropriations Bill 1998 to 2005**

In contrast to the growth shown in Figure 4 above, defense spending as a percent of Gross Domestic Product (GDP) is down from last year. With current National Defense spending at roughly 4% of GDP, one can see in Figure 5 that the FY 2005 level remains relatively low when compared to historical spending levels for the past two decades. At the peak of the Reagan build up, defense spending was over 6 percent of GDP and approximately 5 percent during the first Gulf War. Figure 5 depicts the growth in National Defense spending as a percent of GDP over the last 20 years. [Ref 8]



**Figure 5. National Defense Spending as a percent of GDP 1986 to 2005**

The Congress, in the FY 2005 Appropriations Act, approved fully funding the areas of military pay, benefits and medical programs which showed support for the troops during a time of war. Also the Congress supported an addition which funded the major recapitalization of both the Army and the Marine Corps ground forces tactical combat equipment. There was continued congressional support for the deployment of a national missile defense and theater missile defense systems. Congress approved the development and procurement of DOD's high priority defense programs such as the Virginia class submarine, the V-22 tilt-rotor aircraft, the F/A-22 fighter aircraft, as well as the Joint Strike Fighter. Additionally the act provided the required emergency funds to support the continued operations in Iraq and Afghanistan. Table 3 highlights some of the major issues in the FY 2005 Appropriations Act. [Ref 9]

Military Personnel	3.5% pay raise, Increased Housing Allowance
Readiness Accounts	Fully Funded
Ground Forces Recapitalization Adds	\$1.5B Combat tactical vehicles
Navy/Marine Corps Aviation	\$2.9B F/A18, \$846M V-22, \$211M E-2C
Air Force	\$3.6B F/A22, \$2.7B C-17
Joint Strike Fighter	\$4.4B
Unmanned Combat Aerial Vehicles	\$586.5M
VXX Executive Helicopter	Reduced \$220M
Army Future Combat Systems	\$2.9B
Shipbuilding Programs	\$11.1B
Missile Defense Programs	\$10B
Space Programs	\$599M SBIRS, \$511M EELV
Defense Health	\$18.2B
Counter Drug	\$906.5M
Wartime Appropriations	\$25B operational cost Iraq and Afghanistan
Manpower	\$1.3B additional Costs for OIF/OEF
Force Protection	\$1.3B, Up-armored HMMWV, Bolt-on Armor kits

**Table 3. Highlight of the FY05 Defense Appropriations Act**

Two areas of controversy in this Appropriations Act, as is the case with most appropriations bills, are the congressional earmarks and unsolicited congressional additions to the defense budget. The term “earmark” is used to describe certain adjustments made by Congress. The following quote helps define what an earmark is:

To set aside funds for a specific purpose, use, or recipient. Generally speaking virtually every appropriation is earmarked, and so are certain revenue sources credited to trust funds. In common usage, however, the term often applies as an epithet for funds set aside for such purposes as research projects, demonstration projects, parks, laboratories, academic grants, and contracts in particular congressional districts or states or for certain specified universities or other organizations. [Ref 7]

In the FY 2005 Appropriations bill, the Congress has made a number of earmarks, additions or reductions to the Defense Budget. In total there are 2,671 earmarks that were made by legislators in the appropriations subcommittees, committees or conference committee. All these adjustments affected the President’s budget request by a total amount of \$12.2 billion. [Ref 1] The majority of the earmarks were made early in the appropriations process while the bill was still in the subcommittees of each house of Congress. Thus it would make sense that many of the earmarks would be issues of interest to the members of the subcommittee and the states they represent. For example,

in the Senate, 65 percent of the earmarks in that version of the bill went to the states that have Senators that are members of the Defense Appropriations Subcommittee. [Ref 1]

Although the critics of the appropriations process have mentioned that the Congress basically “throws out the President’s request and starts from scratch”, we find that the percentage change for earmarks or additions to the FY 2005 Appropriations Act is only about 2.93 percent of the total \$416.2 billion appropriated. [Ref 1] A three percent adjustment to a proposed budget would not really substantiate the claims that the Congress has built their own version of the budget. This would more likely support that the Congress has some disagreement on the proposed budget as to what are the priorities and what should be funded considering the funding constraints. “The simple fact that the DOD did not formally request something does not mean it is undeserving of funding, part of Congress’ job is to determine whether agency priorities are appropriate.” [Ref 6]

As we take a closer look at these earmarks in the next few sections we will try to determine the intent of the Congress. Also we will look at what the trends are with respect to earmarks in the general provisions.

## **B. ANALYSIS/TRENDS OF GENERAL PROVISIONS**

The general provisions section of the Appropriations Act is used by the Congress to insert specific language into the bill. When adding specific language to the bill, Congress exercises its control over how the money will be spent. In this manner the Congress can use the general provisions to set DOD policy, control the management of DOD and set financial guidance and restrictions. The following are two good examples of the language used in the general provisions to set policy and manage the DOD.

SEC. 8011. None of the funds appropriated in this or any other Act may be used to initiate a new installation overseas without 30-day advance notification to the Committees on Appropriations. [Ref 9]

SEC 8019. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M-1 Carbines, M-1 Garand rifles, M-14 rifles, .22 caliber rifles, .30 caliber rifles, or M-1911 pistols. [Ref 9]

Within the general provisions there were over 200 earmarks that put specific language into the bill. These earmarks were entered into a spread sheet so we could sort the data as well as look at the data in different ways. This will allow us to better identify and analyze the trends. The following sections look at those trends, the types of earmarks, and how Congress uses them to control the DOD.

## **1. Policy, Management, or Financial**

As we look at the general provisions, we want to first identify what is the intent of Congress. Is the Congress setting policy; are they trying to manage the DOD; or are they merely controlling financial matters? All of the earmarks were classified as being either policy, management, or financial in nature.

### ***a. Policy***

We find that there were 93 earmarks that were used to set policy. The vast majority of these earmarks deal with a specific issue that is addressed in the language of the provision. Approximately one third of these earmarks are used to restrict the actions of the DOD in some way. Another third of the policies are found to be directive. These earmarks set the general policy for the DOD as to what will and will not be done. The following example from the general provisions gives a good idea of the type of earmark that sets policy.

SEC. 8074. None of the funds made available in this Act may be used to approve or license the sale of the F-22 advanced tactical fighter to any foreign government. [Ref 9]

For the policy earmarks, it appears that when setting policy for the DOD, as a whole, the Congress is addressing a specific issue and does not usually specify the dollar amount or the appropriation but rather takes a broad approach affecting all funds within the Appropriations Act. On the other hand when setting policy for a specific military department Congress is more specific and identifies the service, the appropriation and the exact amount. In most cases it is the Operations and Maintenance (O&M) accounts that make up the majority of the specific service level policy earmarks. The following Table 4 lists the earmarks that were designated as being policy setting in nature.

Location in Bill	Service	Appropriation	Amount (total)	Budget yr	Earmark Type	Type Pol/Mgt/Fin	Content	Purpose
8112		DERF	upto FairMktVa	2005	ceiling	P	Property dispute resolution	Auth
8001			not specified	2005	spec issue	P	no \$ for publicity	Restrict
8002			not specified	2005	spec issue	P	exempt pay provisions	Proc
8009		O&M	not specified	2005	spec issue	P	provide medical services to civilians	Assist
8022			not specified	2005	spec issue	P	limit on length of A-76 study	Proc
8037			not specified	2005	spec Prog	P	use drug interdiction \$for Young Marine	Assist
8039			not specified		spec issue	P	transfer housing to Indian tribes	Assist
8043			not specified	2005	spec issue	P	DIA funds may be used for services etc	Auth
8066			not specified	2005	spec issue	P	Contract cost can not include Bonus'	Proc
8067			not specified	2005	spec issue	P	Auth to Tranfer funds to State Dept	Auth
8074			not specified	2005	spec prog	P	No approval or license of foregn sale F-2	Restrict
8075			not specified	2005	spec issue	P	Auth to waive foreign Mil sales limits	Auth
8078	navy	Shipbuilding	not specified	2005	spec Prog	P	Rqmt to procure T-AKE class Ships	Restrict
8081			not specified	2005	spec issue	P	SecDef Rpt Reqmt to Congress	Proc
8084			not specified	2005	spec issue	P	No funds to Agencies that owe DoD	Restrict
8086			not specified	2005	spec issue	P	NG may lease property w/o payment	Auth
8092	navy	RDT&E	not specified	2005	spec issue	P	Must have second source supplier	Proc
8101			not specified	2005	spec issue	P	Must Rpt chg. To prem asmt of forces	Restrict
8115	navy	Shipbuilding	not specified	2005	spec issue	P	Sub division of accounts	Proc
8116		O&M, Proc, MILPER	not specified	2006	spec issue	P	2006 Budget Rpt requirement	Proc
8127			not specified	2005	spec issue	P	Auth to convey land to Wooster, Ohio	Auth
8128			not specified	2005	spec issue	P	Written requiremnt for call to AD for Res	Proc
8138			not specified	2006	spec issue	P	Funds for Military Ops overseas	Proc
8029			no spending on	2005	spec issue	P	buy american steel	Restrict
8035			no spending on	2005	spec issue	P	no outsourcing Corps of Engineers	Restrict
8003			no spending	2005	spec issue	P	no part available beyond current year	Restrict
8019		All	no spending	2005	spec issue	P	no funds to demilitarize small arms	Restrict
8023			no spending	2005	spec issue	P	No political or psych. activities	Restrict
8050			no spending	2005	spec issue	P	No reduction to civilian techs NG/Res	Restrict
8051			no spending	2005	spec issue	P	No assistance to N. Korea	Restrict
8054			no spending	2005	spec issue	P	No reduction in civilian medical staff	Restrict
8061			no spending	2005	spec issue	P	No foreign super computers	Restrict
8073			no spending	2005	spec issue	P	No RDT&E to buy end items	Restrict
8076			no spending	2005	spec issue	P	Prohibition, training for Foreign Mil	Restrict
8079			no spending	2005	spec Prog	P	No funding of mil family housing	Restrict
8085		All	no spending	2005	spec issue	P	No Transfer of Ammo to NoN Govm't	Restrict
8106		all	no spending	2005	spec issue	P	No new start Prog w/o written Notice	Restrict
8117			no spending	2005	spec Prog	P	No nuclear interceptors Missile Def Sys	Restrict
8124			no spending	2005	spec Prog	P	Integration of foreign intel information	Restrict
8133			no spending	2005	spec prog	P	Personal Comm. Solicitation DoD	Proc
8059			no spend	2005	spec Prog	P	No foreign ball or roller bearings	Restrict
8045		All	no limit	2005	spec issue	P	Complaine w/Buy American Act	Restrict
8047		All	no spending	2005	spec issue	P	No field operating Agencies	Restrict
8052			no limit	2005	spec issue	P	Full time pay for NG W/SecDef Apprvl	Proc
8053			no limit	2005	spec Prog	P	Auth to reimburse NG for Intel support	Auth
8057			no spending	2005	spec Prog	P	No transfer of Counter-Drug funds	Restrict
8058	dw	O&M	no limit	2005	spec issue	P	Auth to Transfer to other Appns.	Auth
8064			no spending	2005	spec issue	P	No transfer of funds to another Nation	Restrict
8069			no limit	2005	spec issue	P	Auth to spend FY05 \$ on closed Appn	Auth
8082	all	O&M/RDT&E	no limit	2005	spec prog	P	Refunds to Gov't purchase & Tvl cards	Proc
8089			no limit	2005	spec Prog	P	GPS funds to meet civil Reqmt of Prog.	Auth
8100	navy	O&M	no limit	2005	spec issue	P	Settle Admiralty Claims from Collision	Auth
8114			no limit	2005	spec issue	P	Overseas Contingency Operations Acct	Proc
IV	navy	RDT&E	no limit	2006	spec Prog	P	V-22 funds used for SOF Ops	Auth
8065			15,000,000,000	2005	threshold	P	Loan Guarantees on Defense Exports	Proc
8123			967,200,000	2005	Spec Amt	P	Rate Stabilization Adj to Trans WCF	Auth
8099	navy	Shipbuilding	484,390,000	2005	fence	P	fund prior year shipbuild cost increases	Direct
8092	navy	RDT&E	214,678,000	2005	fence	P	Construct 1st Prototype Vessel	Direct
8090	army	O&M	185,000,000	until spent	Spec Amt	P	Transfer authority	Auth
8056			130,000,000	2005	threshold	P	indefinite contracts for Envirn Remed.	Proc
8129	navy	all	100,000,000	2005	threshold	P	Auth to transfer ship Const Appn	Auth

**Table 4. Data Table for Policy Earmarks**

***b. Management***

There were 60 earmarks that were identified as being management in nature. Here the Congress goes a step further than just setting the policy for DOD. The language is more specific and in most cases tells the DOD how something will be done. As with the policy earmarks the management earmarks are both directive and restrictive as to what can be done. These earmarks specifically tell the DOD what it can and can not do. The following example shows how detailed and specific the language can be for the earmarks labeled as management.

SEC. 8110. Of the funds made available in this Act, not less than \$87,900,000 shall be available to maintain an attrition reserve force of 18 B-52 aircraft, of which \$3,700,000 shall be available from “Military Personnel, Air Force”, \$55,300,000 shall be available from “Operation and Maintenance, Air Force”, and \$28,900,000 shall be available from “Aircraft Procurement, Air Force”: Provided, That the Secretary of the Air Force shall maintain a total force of 94 B-52 aircraft, including 18 attrition reserve aircraft, during fiscal year 2005: Provided further, That the Secretary of Defense shall include in the Air Force budget request for fiscal year 2006 amounts sufficient to maintain a B-52 force totaling 94 aircraft. [Ref 9]

The management type earmarks are mainly directive, procedural or restrictive and contain specific language in the provision as to how DOD will or will not do something. Approximately, 75% of the management type earmarks fall into one of these three categories. Additionally about one half of these earmarks are directed at specific services and specific appropriations and have specific dollar amounts identified. The O&M accounts are by far the most affected appropriations. The remainder are aimed at the DOD as a whole and do not specify a dollar amount. These earmarks are used to set specific defense guidance in order to more closely control DOD actions. Table 5 is a list of the different earmarks that were determined to be management type earmarks.



Location in	Service	Appropriation	Amount	Budget yr	Earmark	Type	Content	Purpose
Bill			(total)		Type	Pol/Mgt/Fin		
8006			Not to exceed	2005	spec issue	M	cash balance limit WCF	Proc
8005			not specified	2005	spec issue	M	request done prior to 30 June	Proc
8008			not specified	2005	spec issue	M	use of present value required	Proc
8010	DOD/ civ per	O&M	not specified	2005	spec issue	M	do not manage to end strength	Proc
8018			not specified	2005	spec issue	M	limit of overseas building	Restrict
8036			not specified	2006	spec issue	M	identify administrative expenses	Proc
8055			not specified	2005	spec Prog	M	Limit on pentagon renovation costs	Restrict
8062			not specified	2005	spec issue	M	Contracts for Construction or Serv. Alas	Proc
8063			not specified	2005	spec issue	M	Salary Payment restriction	Restrict
8071			not specified	2005	spec issue	M	NG distance Learning Prog Reimbursement	Proc
8072			not specified	2005	spec issue	M	AF contract for heat in Germany	Restrict
8077			not specified	2005	spec issue	M	Surplus Dental & Medical Equipment	Assist
8080	dw	RDT&E	not specified	2005	spec Prog	M	Rpt Req'm't Adv Tech Demon Proj	Proc
8087			not specified	2005	spec issue	M	Local procurement of beer & wine MWR	Restrict
8109			not specified	2005	spec Prog	M	DoA begin budget to fully fund NLOS-C	Direct
8110	air force		not specified	2005	spec Prog	M	support for B-52 Aircraft	Direct
8121			not specified	2005	spec issue	M	Conveyance of real property	Direct
8134			not specified	2005	spec Prog	M	Reqmt to Rpt clutter bomb dude rate	Proc
8139	air force		not specified	2005	spec issue	M	Auth to demolish real property	Auth
II	dw	O&M	not specified	2005	spec issue	M	Requirement to get DW O&M funds	Restrict
V	DOD Rev fur	WCF-Sealift fund	not specified	until spent	spec issue	M	limit: buy american	Restrict
8011		All	no spending	2005	spec issue	M	no new installation overseas	Restrict
8012		All	no spending	2005	spec issue	M	no lobbying congress	Restrict
8013	army	MILPERS	no spending	2005	spec Prog	M	educ benefit coordination	Proc
8014			no spending	2005	spec issue	M	limits on outsourcing	Proc
8016			no spending	2005	spec Prog	M	buy american anchors	Proc
8017		defense health	no spending	2005	spec issue	M	no payment when Dr. has interest in refe	Restrict
8120			no spending	2005	spec Prog	M	53rd Weather Recon Squadron WC-130	Restrict
8033			no limit	2006	spec issue	M	encourage energy svcs	Proc
8060			no limit	2005	spec issue	M	Transport Medical Supplies & Equip	Assist
8004			not to exceed	2005	spec issue	M	no more>20% in last two months	Restrict
8008			no limit	2005	spec Prog	M	procure 155mm howitzer	Auth
III	air force	Aircraft Proc	no limit	2005	spec Prog	M	buy 15 c-17 in 2005,2006	Direct
8015			no \$ limit	2005	spec Prog	M	transfers for mentor-protégé program	Educ
8005		any, but not milcon	3,500,000,000	2005	threshold	M	secdef may transfer Btwn Appn/fund/sup	Auth
8028			125,000,000	2005	Spec Amt	M	Cut funding for FFRDCs	Cut
8096	dw	RDT&E	68,000,000	2005	fence	M	Arrow Missile components US/Israel	Direct
8110	air force	O&M	55,300,000	2005	fence	M	support for B-52 Aircraft	Direct
8110	air force	Aircraft Proc	28,900,000	2005	fence	M	support for B-52 Aircraft	Direct
II	dw	O&M	27,000,000	2005	floor	M	Requirement to get DW O&M funds	Direct
8027	air force	O&M	21,588,000	2005	fence	M	Civil Air Patrol operations	Direct
8008			20,000,000	2005	threshold	M	mutiyear contract limit 20M/yr or 500M	Proc
8048	navy	RDT&E	18,000,000	2005	spec amt	M	Decommission USNS Capable Ship	Direct
II	USSR Acct	O&M	15,000,000	2005	fence	M	Former Soviet Threat Reduction	Security
8125	marine corps	O&M	3,900,000	2005	fence	M	Road Imprvmnts MCB 29 Palms	Direct
8110	air force	MILPERS	3,700,000	2005	fence	M	support for B-52 Aircraft	Direct
8135	navy	O&M	2,600,000	2005	ceiling	M	on & off base drainage and flood cntrl	Auth
8027	air force	Aircraft Proc	2,581,000	2005	fence	M	Civil Air Patrol operations	Direct
8025		O&M	2,500,000	2005	ceiling	M	AF buy alaskan property	Auth
8093	dw		2,000,000	2005	fence	M	build additional Fisher Houses	Direct
III	navy	Oth Proc	1,800,000	2005	ceiling	M	Purchase 9 vehicle	Security
8027	air force	Oth Proc	802,000	2005	fence	M	Civil Air Patrol operations	Direct
8020			500,000	2005	threshold	M	limit on moves in DC/NCR	Restrict
II	dw	O&M	500,000	2005	fence	M	Requirement to get DW O&M funds	Safety
III	army	Oth Proc	200,000	2005	ceiling	M	Purchase 1 vehicle	Security
III	air force	Oth Proc	200,000	2005	ceiling	M	Purchase 1 vehicle	Security
8046		All	25,000	2005	threshold	M	Must have competition for contracts	Proc
II	Court-ArmFg	O&M	5,000	2005	ceiling	M	Court of appeals for Armed Forces	Proc

**Table 5. Data Table for Management Earmarks**

**c. Financial**

As for the financial earmarks there were 58 in total and many of these were combined into a single provision as they were related to the same issues. The financial adjustments totaled \$5.5 billion with \$5.3 billion being reductions. Just \$.3

billion were additions to the bill. About one third of the financial earmarks were rescissions totaling \$879 million. The rescissions reduced funding levels that were appropriated in a prior fiscal. These funds were in multi-year appropriations in which a portion of the funds would have been available during FY 2005. An example of the financial earmarks, are listed below and show how several financial earmarks that are related to the same issue are lumped together.

SEC. 8140. (a) The total amount appropriated or otherwise made available in this Act is hereby reduced by \$768,100,000 to reflect excessive unobligated balances, to be distributed as follows:

“Operation and Maintenance, Army”, \$160,800,000;

“Operation and Maintenance, Navy”, \$171,900,000;

“Operation and Maintenance, Marine Corps”, \$15,700,000;

“Operation and Maintenance, Air Force”, \$142,400,000; and

“Operation and Maintenance, Defense-Wide”, \$277,300,000.

(b) The Secretary of Defense shall allocate this reduction proportionately to each budget activity, activity group, subactivity group, and each program, project, and activity within each applicable appropriation account. [Ref 9]

The majority of the financial reductions were levied against the O&M and the Research, Development, Test and Evaluation (RDT&E) accounts. The O&M appropriations were cut approximately \$3 billion and the RDT&E appropriations saw reductions of over \$1.2 billion.

The distribution of cuts among the services was quite interesting as one would have expected a proportionate distribution. In fact, the financial earmarks were rather disproportionately divided among the services. The Air Force received by far the largest share of the reductions totaling \$2,068 million. Whereas the Navy was a distant second receiving cuts of \$857 million. The Army only received \$404 million in reductions. The Marine Corps, being the smallest service, was reduced by a mere \$63

million. Defense-Wide appropriations were hit with a total of \$895 million in cuts. That left the remaining \$1 billion which the Congress decided to leave undistributed, with allocation amounts to be determined by the DOD. Table 6 show the list of financial type earmarks.

Location	Service	Appropriation	Amount	Budget yr	Earmark	Type	Content	Purpose
Bill			(total)		Type	Pol/Mgt/Fin		
8123	air force	O&M	967,200,000	2005	Spec Amt	F	Reduction to reflect cut to Trans WCF	Auth
8131		RDT&E	350,000,000	2005	Spec Amt	F	reduction to title IV, funding set asides	Cut
8122		Proc	300,000,000	2005	Spec Amt	F	Reductions for Mgmt improvements	Cut
8140	dw	O&M	277,300,000	2005	Spec Amt	F	reduction for unobligated balances	Cut
8095	dw	O&M	225,000,000	2005	Spec Amt	F	Limit grwth in Advisory & Assist Serv.	Cut
8122		RDT&E	211,000,000	2005	Spec Amt	F	Reductions for Mgmt improvements	Cut
8095	dw	RDT&E	200,000,000	2005	Spec Amt	F	Limit grwth in Advisory & Assist Serv.	Cut
8122		O&M	200,000,000	2005	Spec Amt	F	Reductions for Mgmt improvements	Cut
8140	navy	O&M	171,900,000	2005	Spec Amt	F	reduction for unobligated balances	Cut
8107	air force	O&M	166,000,000	2005	Spec Amt	F	DWCF rate adjustments	Proc
8140	army	O&M	160,800,000	2005	Spec Amt	F	reduction for unobligated balances	Cut
III	air force	Aircraft Proc	158,600,000	2005	Spec Amt	F	Across board cut of funded Activities	Cut
8107	navy	O&M	150,000,000	2005	Spec Amt	F	DWCF rate adjustments	Proc
8094	air force	O&M	149,300,000	2005	Spec Amt	F	Reduction Mgmt efficiencies	Cut
8049	navy	RDT&E	148,500,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8140	air force	O&M	142,400,000	2005	Spec Amt	F	reduction for unobligated balances	Cut
8049	air force	Oth Proc	100,000,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8132	air force	Tanker Rplt Fund	100,000,000	until trans	fence	F	Tanker Replacement transfer Fund	Restrict
8141	all	O&M	100,000,000	2005	Spec Amt	F	Reduction for growth in Travel	Cut
8049	dw	RDT&E	78,700,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8094	navy	O&M	77,900,000	2005	Spec Amt	F	Reduction Mgmt efficiencies	Cut
8094	army	O&M	66,700,000	2005	Spec Amt	F	Reduction Mgmt efficiencies	Cut
8105	dw	RDT&E	60,300,000	2005	Spec Amt	F	Reduction in cost grwth Info Tech Dev	Cut
8049	air force	RDT&E	57,666,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8049	USSR Acct	Proc	50,000,000	2003	spec amt	F	Rescission from prior yr Appn Act	Resc
8049	navy	Aircraft Proc	50,000,000	2003	spec amt	F	Rescission from prior yr Appn Act	Resc
8049	air force	Aircraft Proc	50,000,000	2003	spec amt	F	Rescission from prior yr Appn Act	Resc
8095	army	RDT&E	50,000,000	2005	Spec Amt	F	Limit grwth in Advisory & Assist Serv.	Cut
8142	navy	Aircraft Proc	50,000,000	2002	Spec Amt	F	Rescission from prior yr Appn Act	Resc
8142	air force	Aircraft Proc	50,000,000	2002	Spec Amt	F	Rescission from prior yr Appn Act	Resc
8142	navy	Aircraft Proc	50,000,000	2003	Spec Amt	F	Appropriated to prior yr Appn Act	Auth
8142	air force	Aircraft Proc	50,000,000	2003	Spec Amt	F	Appropriated to prior yr Appn Act	Auth
8105	air force	Oth Proc	49,000,000	2005	Spec Amt	F	Reduction in cost grwth Info Tech Dev	Cut
8049	navy	Oth Proc	41,700,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8049	marine corps	Proc	40,200,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8105	army	Oth Proc	39,500,000	2004	Spec Amt	F	Reduction in cost grwth Info Tech Dev	Cut
8049	dw	Proc	34,571,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8049	navy	Aircraft Proc	32,800,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8049	army	RDT&E	30,000,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8049	navy	weapons proc	25,200,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8095	army	O&M	25,000,000	2005	Spec Amt	F	Limit grwth in Advisory & Assist Serv.	Cut
8130	air force	O&M	25,000,000	2005	Spec Amt	F	reduction for offset payments savings	Cut
8105	dw	Proc	20,100,000	2005	Spec Amt	F	Reduction in cost grwth Info Tech Dev	Cut
8049	army	Oth Proc	16,000,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8140	marine corps	O&M	15,700,000	2005	Spec Amt	F	reduction for unobligated balances	Cut
8049	navy	Shipbuilding	14,000,000	2002	spec amt	F	Rescission from prior yr Appn Act	Resc
8130	navy	O&M	13,000,000	2005	Spec Amt	F	reduction for offset payments savings	Cut
8130	army	O&M	11,000,000	2005	Spec Amt	F	reduction for offset payments savings	Cut
8105	navy	Oth Proc	10,800,000	2005	Spec Amt	F	Reduction in cost grwth Info Tech Dev	Cut
8105	navy	RDT&E	10,800,000	2005	Spec Amt	F	Reduction in cost grwth Info Tech Dev	Cut
8049	navy	Shipbuilding	10,300,000	2004	spec amt	F	Rescission from prior yr Appn Act	Resc
8094	marine corps	O&M	6,100,000	2005	Spec Amt	F	Reduction Mgmt efficiencies	Cut
8105	army	RDT&E	3,500,000	2005	Spec Amt	F	Reduction in cost grwth Info Tech Dev	Cut
8105	air force	RDT&E	3,500,000	2005	Spec Amt	F	Reduction in cost grwth Info Tech Dev	Cut
II	army	O&M	1,900,000	2005	fence	F	Army O&M funds avail provided that	Direct
8130	marine corps	O&M	1,000,000	2005	Spec Amt	F	reduction for offset payments savings	Cut

**Table 6. Data Table for Financial Earmarks**

## **2. Ceilings, Fences and Floors**

Ceiling, fences and floors are restrictions placed on an appropriation or portion of that appropriation, imposed by Congress and designated for a specific purpose. All three are control measures used by the Congress to control the amount of funds that will be spent and/or what the funds will be used for. In this section, we will take a look at how these control measures were used by the Congress in the FY 2005 Appropriations Act and examine their effect on the DOD.

### ***a. Ceilings***

Ceiling refers to a maximum amount of funding that is designated for a specific purpose. [Ref 5] The Congress will use ceilings to restrict the total amount that can be spent from an appropriation on a specific program or for a specific purpose. We see two different ways in which the Congress used ceilings within the Defense Appropriations Act. One type would be called a true ceiling in that it sets the maximum amount to be used and designates it for a specific purpose. In the general provisions of the Appropriations Act there was a good example of a ceiling which is listed below.

SEC. 8111. Of the funds made available under the heading 'Operation and Maintenance, Air Force', \$9,000,000 shall be available to realign railroad track on Elmendorf Air Force Base and Fort Richardson: Provided, That of the funds made available under the heading 'Operation and Maintenance, Air Force', \$14,000,000 shall be available for engineering and environment studies necessary to extend the railroad to Stryker Brigade Combat Team training areas north of Fort Wainwright, Alaska: Provided further, That the Secretary of the Air Force is authorized, using funds available under the heading 'Operation and Maintenance, Air Force', to complete a phased repair project, which repairs may include upgrades and additions, to the infrastructure of the operational ranges managed by the Air Force in Alaska. The total cost of such phased projects shall not exceed \$32,000,000. [Ref 9]

The ceilings found in the FY 2005 Appropriations Act were very few and made up a relatively small amount totaling \$42.3 million. Each of the three military departments were impacted to some degree by these earmarks, with the largest affecting the Air Force which is in the example above. We find that O&M funds are the main

target of this type of earmark. Only a small amount of Other Procurement was identified which was for specialized security vehicles. Table 7 is a list of earmarks that were found to set this type of ceilings.

Location	Service	Appropriation	Amount	Budget yr	Earmark	Type	Content	Purpose
Bill			(total)		Type	Pol/Mgt/Fin		
8111	air force	O&M	32,000,000	2005	ceiling	P	Infrastructure improvements Alaska	Direct
8088	navy	O&M	3,000,000	2005	ceiling	P	Upgrade to base drainage & flood cntl	Auth
8135	navy	O&M	2,600,000	2005	ceiling	M	on & off base drainage and flood cntrl	Auth
8025		O&M	2,500,000	2005	ceiling	M	AF buy alaskan property	Auth
III	navy	Oth Proc	1,800,000	2005	ceiling	M	Purchase 9 vehicle	Security
III	army	Oth Proc	200,000	2005	ceiling	M	Purchase 1 vehicle	Security
III	air force	Oth Proc	200,000	2005	ceiling	M	Purchase 1 vehicle	Security
II	Court-ArmF	O&M	5,000	2005	ceiling	M	Court of appeals for Armed Forces	Proc

**Table 7. Data Table for Ceiling Setting Earmarks**

The other type of ceiling could be called more of a threshold, as they set the limit as to the amount, but do not designate funds for a specific purpose. Instead the threshold, sets the policy for a specific action, if and when that action is taken funding will be limited to the specified amount. But there is no requirement to take any action in this case and funds are not specified for any specific purpose. A good example of this type of ceiling is found below where a threshold of \$250 thousand is set as the ceiling amount for purchasing investment type items using O&M funds.

SEC. 8040. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than \$250,000. [Ref 9]

Here we find that these earmarks, that basically set a threshold level, are more general in that they usually do not specify the service and the appropriation. Some like the example above do specify the appropriation that is affected. All of these earmarks allow the DOD freedom in the use or movement of funding until they reach the set ceiling or threshold amount. Table 8 below is a list of the earmarks that are ceilings that were designated as being thresholds.

Location in Bill	Service	Appropriation	Amount (total)	Budget yr	Earmark Type	Type Pol/Mgt/Fin	Content	Purpose
8065			15,000,000,000	2005	threshold	P	Loan Guarantees on Defense Exports	Proc
8005		any, but not milco	3,500,000,000	2005	threshold	M	secdef may transfer Btwn Appn/fund/subdiv	Auth
8056			130,000,000	2005	threshold	P	indefinite contracts for Environ Remed.	Proc
8129	navy	all	100,000,000	2005	threshold	P	Auth to transfer ship Const Appn	Auth
8068	dw	O&M	30,000,000	2005	threshold	P	Auth to Transfer funds to MILPERS	Auth
8008			20,000,000	2005	threshold	M	mutiyear contract limit 20M/yr or 500M	Proc
8083		All	1,000,000	2005	threshold	P	Reqm't to Reg all FM Sys w/DoD CIO	Proc
8020			500,000	2005	threshold	M	limit on moves in DC/NCR	Restrict
8040		O&M	250,000	2005	threshold	P	O&M purchase invest items upto 250K	Restrict
8046		All	25,000	2005	threshold	M	Must have competition for contracts	Proc

**Table 8. Data Table for Threshold Setting Earmarks**

***b. Fences***

A Fence is an explicit limitation on the use of funding that is provided for a specific purpose. [Ref 5] A fence is used by Congress to insure that certain funds will only be used for the exact purpose specified in the Appropriations Act. The earmark will have specific language that will spell out what the funds must be used for and if not used for this purpose the funds will not be available. The following is an example of an earmark that was used to fence a specific amount of funds for a specific purpose to a certain recipient.

SEC. 8097. Notwithstanding any other provision of law, of the amounts provided in this Act and in Public Law 108-87 under the heading 'Research, Development, Test and Evaluation, Navy', \$1,500,000, and \$500,000, respectively, shall be provided as a grant (or grants) to the California Central Coast Research Partnership (C3RP) through the California Polytechnic State University Foundation: Provided, That the Secretary of the Navy shall make said grant (or grants) within 90 days of the enactment of this Act. [Ref 9]

With fences, we find the Congress is much more specific and will identify the service and the appropriation as well as the program of special interest. Although many different appropriations were affected by these fences, 51.3 percent of them identified special purposes for O&M funds. Fences accounted for \$1.3 billion of the total appropriated funds. The Navy was the recipient of the largest portion of fenced funds at \$737.2 million. Both the Air Force and Defense-Wide appropriations were a close second at \$237.5 million and \$223.8 million respectively. As for the Army and the

Marine Corps, they received very minimal amounts. Table 9 compiles the list of earmarks that were found to have fenced a specific amount of funding.

Location in Bill	Service	Appropriation	Amount (total)	Budget yr	Earmark	Type Pol/Mgt/Fin	Content	Purpose
V	DOD Rev fur	WCF-Sealift fund	not specified	until spent	fence	M	limit: buy american	Restrict
8099	navy	Shipbuilding	484,390,000	2005	fence	P	fund prior year shipbuild cost increases	Direct
8092	navy	RDT&E	214,678,000	2005	fence	P	Construct 1st Prototype Vessel	Direct
8132	air force	Tanker Rplt Fund	100,000,000	until trans	fence	F	Tanker Replacement transfer Fund	Restrict
8096	dw	RDT&E	87,290,000	2005	fence	P	Arrow Missile Defense Progam	Restrict
8096	dw	RDT&E	68,000,000	2005	fence	M	Arrow Missile components US/Israel	Direct
8110	air force	O&M	55,300,000	2005	fence	M	support for B-52 Aircraft	Direct
8113			51,425,000	2005	fence	P	13 Grants to Military Foundations/Assoc	Assist
8098	navy	Proc	34,000,000	2005	fence	P	Transfer to Coast guard	Direct
8098	dw	O&M	30,000,000	until spent	fence	P	Transfer to Forest Service	Direct
8110	air force	Aircraft Proc	28,900,000	2005	fence	M	support for B-52 Aircraft	Direct
8027	air force	O&M	21,588,000	2005	fence	M	Civil Air Patrol operations	Direct
8119	dw	O&M	20,000,000	2005	fence	P	Edu &trng of Foreign Off, Def Civ, Sec	Educ
II	USSR Acct	O&M	15,000,000	2005	fence	M	Former Soviet Threat Reduction	Security
8111	air force	O&M	14,000,000	2005	fence	P	Infrastructure improvements Alaska	Direct
IV	army	RDT&E	11,500,000	until spent	fence	P	Requirement to get Army RDTE funds	Research
8098	dw	O&M	10,000,000	until spent	fence	P	Transfer to Forest Service	Direct
VI	defense health	O&M	9,500,000	until spent	fence	P	support Army Fisher houses	Direct
8111	air force	O&M	9,000,000	2005	fence	P	Infrastructure improvements Alaska	Direct
8021			8,000,000	2005	fence	P	incentive payments	Assist
8108	ANG	O&M	6,000,000	2005	fence	P	Facilitate access of Veterans employ.	Assist
8104			5,500,000	until spent	fence	P	Grants to Public Schools	Educ
II	dw	O&M	4,000,000	until spent	fence	P	Requirement to get DW O&M funds	Direct
8125	marine corps	O&M	3,900,000	2005	fence	M	Road Imprvmnts MCB 29 Palms	Direct
8110	air force	MILPERS	3,700,000	2005	fence	M	support for B-52 Aircraft	Direct
8027	air force	Aircraft Proc	2,581,000	2005	fence	M	Civil Air Patrol operations	Direct
II	dw	O&M	2,550,000	2005	fence	P	Requirement to get DW O&M funds	Educ
8126	marine corps	O&M	2,500,000	2005	fence	P	Medical grant HiDesert Mem. Health	Assist
8136	navy	O&M	2,100,000	2005	fence	P	Naval Military Acdmy High School	Educ
8093	dw		2,000,000	2005	fence	M	build additional Fisher Houses	Direct
8097	navy	RDT&E	2,000,000	2005	fence	P	Grant to CA Cntrl Coast Research Part.	Direct
II	army	O&M	1,900,000	2005	fence	F	Army O&M funds avail provided that	Direct
8137	air force	Aircraft Proc	880,000	2005	fence	P	Aviation training, Montana	Educ
8027	air force	Oth Proc	802,000	2005	fence	M	Civil Air Patrol operations	Direct
II	air force	O&M	750,000	2005	fence	P	Requirement to get AF O&M funds	Educ
II	dw	O&M	500,000	2005	fence	P	Requirement to get DW O&M funds	Educ
II	dw	O&M	500,000	2005	fence	M	Requirement to get DW O&M funds	Safety

**Table 9. Data Table for Fenced Earmarks**

**c. Floors**

A Floor refers to a minimum amount of funding that must be spent for a specific purpose. [Ref 5] Congress will use floors when it wants to make certain that no less than a specified amount will be used for their intended purpose. The language of the earmark will be specific as to the program, the service, the appropriation and will set the minimum level of funding. The example below shows how the Congress will use a floor to ensure that no less than a specified amount of funds is used for a specific program.

SEC. 8044. Of the funds appropriated to the Department of Defense under the heading 'Operation and Maintenance, Defense-Wide', not less than \$10,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation and cost to complete estimates for mitigation, on Indian lands resulting from Department of Defense activities. [Ref 9]

Floors were not used much by the Congress in this appropriations act. Floors were actually used only four times with a total impact of \$48.7 million. Table 10 below lists the earmarks that used floors to set the minimum amount of funding.

Location in Bill	Service	Appropriation	Amount (total)	Budget yr	Earmark Type	Type Pol/Mgt/Fin	Content	Purpose
II	dw	O&M	27,000,000	2005	floor	M	Requirement to get DWO&M funds	Direct
8044	dw	O&M	10,000,000	2005	floor	P	environmental impacts on Indian lands	Assist
VI	defense health	RDT&E	7,500,000	2005	floor	P	HIV prevention in Africa	educ
VI	defense health	RDT&E	4,250,000		floor	P	HIV prevention in Africa	educ

**Table 10. Data Table for Floor Setting Earmarks**

### 3. No Limit and No Spending

Two other types of control measures used by the Congress in earmarks are more extreme in that they either allow for an unlimited amount or restrict all spending. These are types of earmarks that Congress will use to control both the policy and the management of DOD.

#### *a. No Limit*

The Congress can set no limit on spending in two ways. First it can just not set any limits at all in the language of the earmark thus allowing for DOD to spend as necessary for the program. Or the language can specifically state that there are no limits on the amount of funding that can be spent on the program. The example below shows the type of language that was used to specify that there is no limit on the amount of spending for this earmark.

SEC. 8100. The Secretary of the Navy may settle, or compromise, and pay any and all admiralty claims under 10 U.S.C. 7622 arising out of the collision involving the U.S.S. GREENEVILLE and the EHIME MARU, in any amount and without regard to the monetary limitations in



subsections (a) and (b) of that section: Provided, That such payments shall be made from funds available to the Department of the Navy for operation and maintenance. [Ref 9]

Most of the earmarks that set no limit were used to provide funding for a specified purpose but Congress left it up to DOD to determine the right amount to spend. Many of these earmarks are also very difficult to determine as to what the correct amount needed would actually be, as would be the case with the previous example. Table 11 identifies the earmarks that set no limit on the amount of funding that could be used.

Location in Bill	Service	Appropriation	Amount (total)	Budget yr	Earmark Type	Type Pol/Mgt/Fin	Content	Purpose
8033			no limit	2006	spec issue	M	encourage energy svcs	Proc
8045		All	no limit	2005	spec issue	P	Complaine w/Buy American Act	Restrict
8052			no limit	2005	spec issue	P	Full time pay for NG W/SecDef Apprvl	Proc
8053			no limit	2005	spec Prog	P	Auth to reimburse NG for Intel support	Auth
8058	dw	O&M	no limit	2005	spec issue	P	Auth to Transfer to other Appns.	Auth
8060			no limit	2005	spec issue	M	Transport Medical Supplies & Equip	Assist
8069			no limit	2005	spec issue	P	Auth to spend FY05 \$ on closed Appn	Auth
8082	all	O&M/RDT&E	no limit	2005	spec prog	P	Refunds to Gov't purchase & Tvl cards	Proc
8089			no limit	2005	spec Prog	P	GPS funds to meet civil Req'm't of Prog.	Auth
8100	navy	O&M	no limit	2005	spec issue	P	Settle Admiralty Claims from Collision	Auth
8114			no limit	2005	spec issue	P	Overseas Contingency Operations Acct	Proc
8008			no limit	2005	spec Prog	M	procure 155mm howitzer	Auth
III	air force	Aircraft Proc	no limit	2005	spec Prog	M	buy 15 c-17 in 2005,2006	Direct
IV	navy	RDT&E	no limit	2006	spec Prog	P	V-22 funds used for SOF Ops	Auth
8015			no limit	2005	spec Prog	M	transfers for mentor-protégé program	Educ

**Table 11. Data Table for Earmarks With No Limit on Spending**

***b. No Spending***

This is the most restrictive of control measures used in the earmarks. It is used by the Congress to prevent DOD from spending any money on a specific program or issue. Many times the Congress will restrict DOD from spending for the specified purpose unless specifically authorized by the Congress in the Authorization or Appropriations Act. The following is a good example of an earmark that restricts all spending for the identified purpose without funds specifically appropriated for that purpose by the Congress.

SEC. 8051. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of North Korea unless specifically appropriated for that purpose. [Ref 9]

The no spending earmarks found in the Appropriations Act were general and did not specify the type of funding but restricted any spending at all for the identified purpose. Here the Congress used specific language to restrict the actions of the DOD and ensure that no funding would be available for the purposes identified in the general provisions of the Appropriations Act. Table 12 shows the earmarks where the Congress specified that there would be no spending for the specified purpose.

Location in Bill	Service	Appropriation	Amount (total)	Budget yr	Earmark Type	Type Pol/Mgt/Fin	Content	Purpose
8029			no spending	2005	spec issue	P	buy american steel	Restrict
8035			no spending	2005	spec issue	P	no outsourcing Corps of Engineers	Restrict
8003			no spending	2005	spec issue	P	no part available beyond current year	Restrict
8011		All	no spending	2005	spec issue	M	no new installation overseas	Restrict
8012		All	no spending	2005	spec issue	M	no lobbying congress	Restrict
8013	army	MILPERS	no spending	2005	spec Prog	M	educ benefit coordination	Proc
8014			no spending	2005	spec issue	M	limits on outsourcing	Proc
8016			no spending	2005	spec Prog	M	buy american anchors	Proc
8017		defense health	no spending	2005	spec issue	M	no payment when Dr. has interest in refe	Restrict
8019		All	no spending	2005	spec issue	P	no funds to demilitarize small arms	Restrict
8023			no spending	2005	spec issue	P	No political or psych. activities	Restrict
8050			no spending	2005	spec issue	P	No reduction to civilian techs NG/Res	Restrict
8051			no spending	2005	spec issue	P	No assistance to N. Korea	Restrict
8054			no spending	2005	spec issue	P	No reduction in civilian medical staff	Restrict
8061			no spending	2005	spec issue	P	No foreign super computers	Restrict
8073			no spending	2005	spec issue	P	No RDT&E to buy end items	Restrict
8076			no spending	2005	spec issue	P	Prohibition, training for Foreign Mil	Restrict
8079			no spending	2005	spec Prog	P	No funding of mil family housing	Restrict
8085		All	no spending	2005	spec issue	P	No Transfer of Ammo to NoN Govm't	Restrict
8106		all	no spending	2005	spec issue	P	No new start Prog w/o written Notice	Restrict
8117			no spending	2005	spec Prog	P	No nuclear interceptors Missile Def Sys	Restrict
8120			no spending	2005	spec Prog	M	53rd Weather Recon Squadron WC-130	Restrict
8124			no spending	2005	spec Prog	P	Integration of foreign intel information	Restrict
8133			no spending	2005	spec prog	P	Personal Comm. Solicitation DoD	Proc
8059			no spending	2005	spec Prog	P	No foreign ball or roller bearings	Restrict
8047		All	no spending	2005	spec issue	P	No field operating Agencies	Restrict
8057			no spending	2005	spec Prog	P	No transfer of Counter-Drug funds	Restrict
8064			no spending	2005	spec issue	P	No transfer of funds to another Nation	Restrict

**Table 12. Data Table for Earmarks Designating No Spending**

After looking at the FY 2005 Appropriations Act and the general language of the bill one can get a feel for what the Congress is trying to accomplish. We saw that earmarks are used to set policy as well as control the management of DOD. Further we saw that there are several different financial control measures that can be implemented by using specific language. The power of the purse gives Congress the ability to influence

what DOD can and cannot do. In the next chapter we will look at the effects on the Marine Corps budget and how the Congressional additions impact the Marine Corps specific appropriations.

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## **IV. ANALYSIS OF MARINE CORPS BUDGET REQUEST**

### **A. OVERVIEW**

In this Chapter, we will look at the Congressional Adjustments that affected the Marine Corps budget request. This will be a sample of the over 2600 congressional earmarks that are line item adjustments in the tables of the Conference Report. Unlike with the general provisions, these earmarks do not have specific language written into the Act. Most of these earmarks only name the program and the adjustment amount.

The sample of the earmarks has been drawn from appropriations that are programmed for by the Marine Corps. As we will see, these earmarks make adjustments to budget activities for O&M accounts, project level adjustments to procurement as well as RDT&E accounts. Before we look at the sample data, we will need to discuss briefly what appropriations make up the Marine Corps' portion of the Department of the Navy (DON) budget request and how they are divided up.

### **B. BACKGROUND**

First, the DOD sets the amount of resources that the DON will receive. Then the money is divided amongst the Navy and Marine Corps by what is called the "Blue-Green Split". Over 25 years ago, a Letter of Agreement was signed by the Navy and Marine Corps to establish a mechanical formula that would divide up the DON funds between the two services. This agreement sets the basis of roughly 86 percent to the Navy and 14 percent to the Marine Corps, but this is subject to adjustments by the Secretary of the Navy to meet the needs of the DON. [Ref 15]

#### **1. Green Dollars**

The term "green dollars" is used to identify those funds that the Marine Corps directly programs for in the Program Objective Memorandum (POM) process. This includes all of the Marine Corps appropriations as well as the Marine Corps' portion of certain Navy appropriations. Headquarters Marine Corps (HQMC) has the sole

responsibility for programming the following Marine Corps appropriations and a portion of the Navy appropriations listed in Table 13. [Ref 11]

<b>Marine Corps appropriations:</b>	
Procurement, Marine Corps (PMC)	<b>Budget Responsibility HQMC:</b> (HQMC, P&R Code RFI)
Military Personnel, Marine Corps (MPMC)	(HQMC, P&R Code RFM)
Reserve Personnel, Marine Corps (RPMC)	(HQMC, P&R Code RFM)
Operation and Maintenance, Marine Corps (O&MMC)	(HQMC, P&R Code RFO)
Operation and Maintenance, Marine Corps Reserve (O&MMCR)	(HQMC, P&R Code RFO)
<b>Navy appropriations, Marine Corps Portion (by SecNav Direction)</b>	
	<b>Major Claimants:</b>
Military Construction (MCON)	(HQMC, I&L Code LFL)
Military Construction, Naval Reserve (MCNR)	(HQMC, I&L Code LFL)
Navy Stock Fund (NSF)	(HQMC, I&L Code LSR)
Family Housing Management Accounts (FHMA)	(HQMC, I&L Code LFF)
Procurement Ammunition Navy and Marine Corps (PANMC)	(HQMC, P&R Code RFI)
<b>Note:</b> The Marine Corps also programs a portion of the DON RDT&E resources, but these are not generally referred to as "green dollars."	

**Table 13. Appropriations Programmed for by HQMC**

## **2. Blue-In-Support-Of-Green**

The term "Blue-in-Support-of-Green" is used for the dollars in DON appropriations that are not programmed solely by the Marine Corps. These appropriations provide significant levels of support to the Marine Corps, but are programmed for by the Navy. The "Blue-in-Support-of-Green" dollars can be broken down into two categories, direct and indirect:

### ***a. Direct***

Direct funding provides Navy assets for Marine Corps programs. The funds are programmed by the Navy in the POM process into Marine Corps Program Element Numbers (PEN). The money provides for the procurement of aircraft, aircraft weapons, operations and maintenance for air stations, the flying hour program, as well as for Navy corpsmen and chaplains assigned to Marine Corps commands. The appropriations listed in Table 14 provide direct support to the Marine Corps. [Ref 11]

### Navy Appropriations, Direct Support to Marine Corps:

(HQMC, P&R (Code RPB) monitors the spending of U.S. Navy funds in support of USMC programs.)

#### Appropriation:

Aircraft Procurement, Navy (APN)  
 Weapons Procurement, Navy (WPN)  
 Research, Development, Test and  
 Evaluation, Navy (RDT&E,N)  
 Other Procurement, Navy (OPN)  
 Operation and Maintenance, Navy (O&MN)  
 Military Personnel, Navy (MPN)

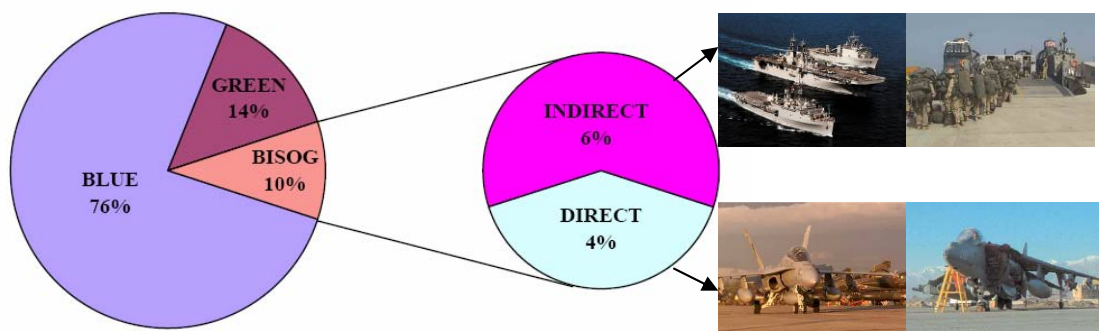
#### Monitors:

(HQMC, DC/S Aviation)  
 (HQMC, DC/S Aviation; DC/S P,P&O)  
 (HQMC, DC/S Aviation)  
 (HQMC, DC/S Aviation)  
 (HQMC, DC/S Aviation; DC/S M&RA)  
 (HQMC, DC/S M&RA)

**Table 14. Navy Appropriations that Provide Direct Support to Marine Corps**

#### *b. Indirect*

Indirect support is provided by resources that are programmed by the Navy as they are Navy programs. These are programs that by their mission provide support to both the Navy and the Marine Corps. Examples of these programs are amphibious ships, medical and dental support, and other assets that jointly support the Navy/Marine Corps team. The main appropriation of interest in this area is Shipbuilding and Conversion, Navy (SCN) and the funding of both amphibious and fire support ships. The Navy's Expeditionary Warfare Division (N75), is headed up by a Marine major general, to ensure that the DON program assessment and budgetary processes address unique aspects of naval expeditionary, mine warfare, and amphibious operations. Figure 6 shows graphically the Blue-Green Split and Blue-in-Support-of-Green breakout [Ref 3]



**Figure 6. The Blue-Green Split with the Blue-in-Support-of-Green Breakout**

### C. OPERATIONS AND MAINTANCE MARINE CORPS (O&MMC)

The first appropriation we will take a look at in our sample is the O&MMC account. The Congress pulsed up the Marine Corps' O&MMC budget \$50 million over what the President had requested. The majority was added to Budget Activity 1: Operating Forces, \$49 million. The remaining \$1 million given to Budget Activity 4: Administration and Service-Wide Activities, for sewer line replacement at Marine Corps Logistics Base Albany GA.

To offset the additions the Congress assessed \$52.6 million in cuts. The reductions were mainly undistributed reductions taken against Administration and Service-Wide Activities, Military to Civilian conversions, NATO mission support costs and unjustified growth in certain programs. Table 15 is taken from the Conference Report (pg. 112) and shows the line item adjustments to the O&MMC appropriation. [Ref 9]

#### ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

<b>Budget Activity 1: Operating Forces</b>	
10050 All Purpose Environmental Clothing System (APECS).....	7,500
10050 Marine Corps Mountain/Cold Weather Clothing and Equipment.....	2,800
10050 Modular General Purpose Tent System (MGPTS).....	1,800
10050 EMI Hardened Fluorescent Stringable Tent Lighting System .....	2,000
10050 Range Enhancements for JNTC MOUT Facility at Twentynine Palms.....	13,000
10050 Ultra-Light Camouflage Net System .....	3,800
10100 Life Cycle Sustainment Software Maintenance Unjustified Growth .....	-1,500
10100 Transportation CLS Replacement and Ammunition Rework Unjustified Growth .....	-2,000
10100 NATO 9T AGM Batteries .....	1,900
10100 Pulse Technology - USMC Battery Management Program .....	1,000
10100 Corrosion Prevention and Control.....	3,400
10200 Defense Motor Vehicle Safety Demonstration Program.....	1,000
10200 Anti-Oxidant Micronutrients Program .....	2,700
10200 MARFORPAC BOS.....	8,500
10350 Contract Maintenance and Training Exercise Unjustified Growth .....	-1,000
<b>Budget Activity 4: Administration and Servicewide Activities</b>	
11850 MCLB Albany Sewer Line Replacement.....	1,000
<b>Undistributed:</b>	
12050 Administration and Servicewide Activities.....	-13,000
12060 Military to Civilian Conversions .....	-35,000
12067 NATO Mission Support Costs.....	-114

**Table 15. Operations and Maintenance Marine Corps Adjustments**



Further research of prior year Conference Reports uncovered that some of the additions in Table 15 appear with some frequency and may be called the “usual suspects”. These include such items as: All Purpose Environmental Clothing System (APECS), Cold Weather Clothing & Equipment, Modular General Purpose Tent System (MGPTS) and Corrosion Prevention and Control. These items were also found to have previous earmarks in the FY 2003 and FY 2004 Appropriations Acts. Additional research revealed that seven of the earmarks were included in the Marine Corps’ submission of the Unfunded Priorities List (UPL).

The UPL is a prioritized "wish list" of programs that did not make the Marine Corps’ official budget submission. Appropriation Sponsors submit information papers for items required by their respective appropriation. The POM Working Group reviews the UPL for appropriateness and priority ranking. The Marine Corps Combat Development Command reviews the UPL and makes sure that the requests are for valid Marine Corps requirements. The UPL documents for each service are forwarded to the Congress at their request, to guide them as they review the annual defense budget.

Congressional additions to the budget are crafted by the committees and staffs. To shape the earmark, the staffs work with the service liaisons in order to ensure the programs are fully funded and to provide direction as to how the funding can be used. With programs of Marine Corps interest, the service representatives will educate the appropriations committee as to how the potential additions will best benefit the Marine Corps and meet mission requirements. This may be accomplished through hearings, testimonies, briefs or questions for the record.

#### **D. PROCUREMENT MARINE CORPS (PMC)**

The next appropriation in the sample was PMC. The total appropriation was increased by \$242.1 million over the President’s budget request. We saw that 36 programs were affected by the adjustments with 34 being increased and just two were reduced. Expeditionary Fighting Vehicle and Unit Operations Center, because of unjustified growth were cut by \$15 million and \$8 million respectively.

Again, research of the prior year Conference Reports showed that many of the earmarks were made against the same programs. After comparing Table 16 to the previous years' project level adjustments we saw that 16, almost 50 percent, of the programs had prior year increases to the same program in FY 2003 or FY 2004 and 4 of them had prior adjustments in both years. When comparing Table 16 to the UPL, the research found that twelve of the 34 earmarks had been on the Marine Corps' FY 2005 UPL. These accounted for 35 percent of the earmarks and \$133.9 million, 55 percent, of the dollars. Six of the twelve items found on the UPL list had not been previously funded in a prior year's earmark. Thus 65% of the earmarks were either UPL items, were previously earmarked programs or both. Table 16 on the following page contains the list of project level adjustments found in the Conference Report (pg. 206) for PMC. [Ref 9]

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS [in thousands of dollars]					
P-1		Budget Request	House	Senate	Conference
1	<b>AAV7A1 PIP</b> Assault Amphibious Vehicle (AAV) RAM/RS Upgrades (Ground Forces Recapitalization)	58,598	+132,696 +74,100	+81,796 +23,200	+121,596 +83,000
2	<b>EXPEDITIONARY FIGHTING VEHICLE</b> Industrial and Tooling Equipment - Production Facility and Execution Delays	67,701	+67,701	+52,701 -15,000	+52,701 -15,000
3	<b>LAV PIP</b> Upgrades and Components (Ground Force Recapitalization)	41,588	+66,888 +25,300	+41,588	+63,088 +21,500
7	<b>HIMARS</b> Ground Forces Recapitalization	16,340	+21,940 +5,600	+16,340	+16,340 0
8	<b>155MM LIGHTWEIGHT TOWED HOWITZER</b> Ground Forces Recapitalization	175,445	+235,545 +60,100	+175,445	+227,445 +52,000
11	<b>WEAPONS AND COMBAT VEHICLES UNDER \$5 MILLION</b> M9 Pistol Modernization Through Spares (P-MTS)	4,888	+7,388 +2,500	+4,888	+6,788 +1,900
15	<b>JAVELIN</b> Additional JAVELIN Anti-Tank Missiles	0	0	+7,900 +7,900	+4,000 +4,000
21	<b>UNIT OPERATIONS CENTER</b> USMC Hitchhiker Baseline Combat Operations Center Unjustified Support Costs	35,933	+39,933 +4,000	+29,933 +2,000 -8,000	+32,833 +3,400 +1,500 -8,000
22	<b>GLOBAL COMBAT SUPPORT SYSTEM</b> GCSS Logistics Modernization	21,664	+21,664	+26,164 +4,500	+25,564 +3,900
27	<b>AUTO TEST EQUIP SYS</b> Digitization of Technical and Operations Manuals	15,823	+15,823	+23,323 +7,500	+22,223 +6,400
32	<b>INTELLIGENCE SUPPORT EQUIPMENT</b> USMC Terrain Analysis and Production (TAP)	15,842	+16,842 +1,000	+15,842	+16,842 +1,000
36	<b>NIGHT VISION EQUIPMENT</b> AN/PEQ-2A Target Pointer, Illuminator, Aiming Light AN/PVS-17 Night Vision Sight System AN/PVS-14 Miniature Night Vision Device Close Quarters Battle Sight	26,100	+31,100 +1,000 +4,000	+46,000 +9,000 +4,100 +5,800 +1,000	+41,800 +6,300 +4,000 +4,400 +1,000
40	<b>RADIO SYSTEMS</b> Lightweight Multi-Band Satellite Terminal (LMST)	14,476	+26,476 +12,000	+26,476 +12,000	+26,476 +12,000
41	<b>COMM SWITCHING &amp; CONTROL SYSTEMS</b> AN/UXC-10 Digital Facsimile (TS-21 Blackjack Marine Corps)	26,145	+31,145 +5,000	+26,145	+30,445 +4,300
42	<b>COMM &amp; ELEC INFRASTRUCTURE SUPPORT</b> USMC Continuity of Operations (COOP) Communications Support for USMC NOC (Note: transferred from O&M/MC)	24,778	+28,778 +4,000	+24,778	+35,078 +3,400 +6,900
43	<b>MOD KITS MAGTF C4I</b> Communication Emitter Sensing and Attacking System (CESAS)	984	+984	+7,484 +6,500	+4,284 +3,300
55	<b>COMBAT BREACHER VEHICLE</b> Assault Breach Vehicle	4,621	+11,621 +7,000	+4,621	+8,121 +3,500
57	<b>TACTICAL FUEL SYSTEMS</b> Nitrile Rubber Collapsible Storage Units Forward Area Self-Contained, Transportable-Improved Liquid Storage/Dispensing System	5,219	+10,219 +3,000 +2,000	+8,519 +3,300	+10,219 +3,300 +1,700
58	<b>DEMOLITION SUPPORT SYSTEMS</b> AN/PSS-14 Handheld Standoff Mine Detection System (HSTAMIDS)	3,422	+5,422 +2,000	+10,822 +7,400	+8,922 +5,500
59	<b>POWER EQUIPMENT ASSORTED</b> Marine Corps 2kW Generators	10,657	+12,157 +1,500	+10,657	+11,707 +1,050
68	<b>FIELD MEDICAL EQUIPMENT</b> Portable Rapid Intravenous (IV) Infusion Pump Portable Low-Power Blood Cooling and Storage Individual Water Purification (IWP) Program Combat Casualty Care Equipment	6,027	+11,527 +3,000 +1,500 +1,000	+9,527 +3,500	+11,377 +1,500 +1,100 +1,000 +1,750
69	<b>TRAINING DEVICES</b> Marine Corps Live Fire Training Range Improvements Range Enhancements for JNTC MOUT Facility at 29 Palms for OIF Common Range Instrumentation System (CRIS)	24,214	+64,714 +3,500 +35,000 +2,000	+26,214 +2,000	+56,964 +2,000 +29,750 +1,000
71	<b>FAMILY OF CONSTRUCTION EQUIPMENT</b> Ultimate Building Machine (UBM) System Marine Corps	15,067	+17,067 +2,000	+15,067	+16,817 +1,750
75	<b>ITEMS LESS THAN \$5 MILLION</b> Anti-Personnel Obstacle Breaching System (APOBS) Ultra High Intensity Miniature Illumination System Single Battlefield Fuel Motorcycle	5,713	+16,213 +3,000 +4,000 +3,500	+5,713	+11,713 0 +3,000 +3,000

Table 16. Procurement Marine Corps Project Level Adjustments

**E. RESEARCH DEVELOPMENT TEST AND EVALUATION, NAVY (RDT&E, N)**

In the RDT&E, N appropriation, we will look at specific Marine Corps items that are programmed for by HQMC, P&R. There were a total of 50 project level adjustments to the appropriation for these Marine Corps programs. There was a net increase of \$102.1 million for these programs. Only one program was reduced, Coastal Battlefield Reconnaissance and Analysis, for a total of \$9.6 million.

The prior year Conference Reports revealed again that many of the earmarks had been earmarked before. Using the list of RDT&E items in Table 17, we found that 23 were previously funded by program level adjustment earmarks. Again, we find that nearly 50%, of the programs had earmarks in either FY 2003 or FY 2004 or both years. Looking at the UPL for RDT&E type items, we saw that there were not many programs on the list, but three were found to match line items from Table 17. Table 17 was derived from pages 283-309 of the Conference Report; it lists all of the Marine Corps project level adjustments used in the sample of earmarks. [Ref 9]

R-1	Budget Request	House	Senate	Conference
<b>6 MARINE CORPS LANDING FORCE TECHNOLOGY</b>	<b>35,398</b>	<b>36,398</b>	<b>36,898</b>	<b>37,398</b>
Expeditionary Force Infrastructure Initiative (EFI)		+1,000		+1,000
Advanced Lead Acid Battery Development for Military Vehicles			+1,500	+1,000
<b>MARINE CORPS ADVANCED TECHNOLOGY</b>				
<b>21 DEMONSTRATION (ATD)</b>	<b>58,222</b>	<b>77,222</b>	<b>79,222</b>	<b>89,422</b>
Advanced mine detector system		+3,500		+2,600
Mobile fire support system 120mm Mortar "Dragon Fire"		+2,000		+1,000
Transportable transponder landing system (TTLS)		+4,000		+2,000
Craft Integrated Electronic suite (CIES)		+1,000		+1,000
Telepresent rapid aiming platform (TRAP)		+1,000		+1,000
Rapid deployment fortification wall (RDFW)		+1,000		+1,000
C3RP		+5,500		+4,700
Portable Methanol fuel cell		+1,000		+1,000
Expeditionary Warfare Water Purification			+15,000	+11,500
Study to Identify and Evaluate Alternative Fixed-Wing Lift Platforms			+1,000	+1,000
Excalibur Unmanned Tactical Combat Vehicle			+1,000	+1,000
Project Albert			+4,000	+3,400
<b>56 MARINE CORPS ASSAULT VEHICLES</b>	<b>236,969</b>	<b>237,969</b>	<b>249,969</b>	<b>246,669</b>
Expeditionary Fighting Vehicle (EFV) MK46 stabilized weapon system, FLIR upgrade		+1,000		+1,000
FLIR Thermal Imager			+6,000	+4,200
Regenerative Filtration Technology for EFV			+7,000	+3,500
<b>58 MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM</b>	<b>22,440</b>	<b>27,440</b>	<b>39,140</b>	<b>35,240</b>
ITAS (Tow Missile Rds)		+5,000		+2,500
Clearing Facilities with Novel Technology			+3,400	+2,200
Anti Armor Weapon System - Heavy (AAWS-H)			+4,000	+2,000
Urban Operations Environmental Laboratory			+6,400	+4,200
Urban Operations Nonlethal and Scalable Weaponization			+2,900	+1,900
<b>84 AV-8B AIRCRAFT - ENG DEV</b>	<b>12,284</b>	<b>13,284</b>	<b>12,284</b>	<b>13,284</b>
Litening pod downlink development program (LPDD) to design, build, test and field video downlink upgrades		+1,000		+1,000
<b>157 MARINE CORPS PROGRAM WIDE SUPPORT</b>	<b>19,701</b>	<b>28,101</b>	<b>27,701</b>	<b>31,401</b>
Marine Corps Corrosion Center of Excellence		+2,000		+1,400
Expeditionary Warfare Logistics Testbed (EWLT)		+3,000		+2,600
USMC Cost of Readiness (COR) Initiatives		+1,000		+1,000
Multi-Sensor Analyzer-Detector (MSAD) III		+2,000		+1,700
Odor Signature Reduction Baseline Garment evaluation		+400		+400
Field Rapid Assay Biological System			+5,000	+2,500
Chemical Warfare Agent Detector Badge			+3,000	+2,100
<b>182 MARINE CORPS COMMUNICATIONS SYSTEMS</b>	<b>268,638</b>	<b>297,638</b>	<b>267,278</b>	<b>286,788</b>
Metamodel		+3,000		+1,500
Advanced Ferrite Antenna (AFA)		+1,000	+3,000	+2,100
Miniaturized Combat Identification System		+1,000		+1,000
Marine Corps Communication Systems - AN/TPS-59		+4,000		+2,600
Marine Corps Wideband Communications		+5,000		+4,250
Next Generation Mobile Electronic Warfare Support		+4,000		+3,400
USMC Hitchhiker		+2,000		+1,700
Display Technology Program (Note: only to continue ongoing Display Technology Program)		+2,000		+1,700
Marine Airborne Re-Transmission System (MARTS)		+4,000		+3,400
Covert SIGINT for Urban Warfare (XR-2000 Receiving System)		+3,000		+1,500
Critical Infrastructure Protection Center			+3,000	+1,500
Coastal Battlefield Reconnaissance and Analysis			-10,360	-9,600
Improved Ground Based Transportable Radar			+3,000	+2,100
U.S. Marine Corps Electronic Battlefield Fusion				+1,000
<b>MARINE CORPS GROUND COMBAT/SUPPORTING</b>				
<b>183 ARMS SYSTEMS</b>	<b>44,828</b>	<b>48,828</b>	<b>48,978</b>	<b>51,928</b>
Advanced Integrated Digital Camera Rifle Scope (ADCRS)		+1,000		+1,000
USMC LAV integrated digital and collaboration environment service net		+2,000		+2,000
Complimentary Metal Oxide Semiconductor (CMOS)				
Machine Vision Readout		+1,000		+1,000
Marine Advanced Combat Suit (MACS)			+3,000	+2,100
Anti-Oxidant Micronutrients Program (transfer from line 130)			+1,150	+1,000
<b>184 MARINE CORPS COMBAT SERVICES SUPPORT</b>	<b>10,731</b>	<b>10,731</b>	<b>10,731</b>	<b>11,731</b>
Battlefield Management System				+1,000

**Table 17. RDT&E, Navy Project Level Adjustments**

In this chapter, we saw that many of the earmarks are for existing programs, while others are for new programs that were unfunded and were found on the UPL submission. Some of these programs are earmarked to provide bridging funds until the program can get in the service POM submission. This is due to the fact that it can take some times up to two years in order to get a new program in the POM/budget cycle. The long length of the POM and budget cycle requires early identification of mission needs and requirements and has little flexibility for emergent requirements.

Additionally, the Congress, during the hearing process will ask the services questions on specific programs. These include specific questions about what might be needed. The services must keep the Congress educated on what they are trying to accomplish, but they cannot lobby the Congress for items they need. “Witnesses should remember they must support the President’s budget and not identify new programs not budgeted unless asked to do so.” [Ref 12] Service liaisons work with the Congress to shape the additions to ensure that the funds can be used in a manner that adds value and fills the valid mission requirement.

## V. CONCLUSION

“Some Members of Congress and others have occasionally cited congressional earmarks of defense funds and congressional additions of unrequested projects as examples of wasteful practices.” [Ref 6] Although some earmarks clearly have no place in the Defense Appropriations Act, there are many that have been important to DOD and national defense. It becomes very difficult to identify which Congressional earmarks to the defense budget are “pork” and which ones are legitimate guidance, control and finance of the DOD. Webster’s dictionary notes a difference:

To earmark is to “designate (as funds) for a specific use or owner,” while pork barrel is “a government project or appropriation yielding benefits to a political district and its political representative.” [Ref 10]

Again, it is hard to determine if an earmark is an item of “pork” spending. All government spending has an economic and political impact. When the DOD in the execution of its mission expends funds from its annual budget, it impacts the states in which military bases and government contractors are located. Thus political districts and their representatives gain some degree of benefit from all government spending; but does that make it “pork barrel”? How does the Citizens Against Government Waste define “pork”:

Pork-barrel projects are those that get federal funding by circumventing established budgetary procedures. To qualify as pork and merit inclusion in the *Pig Book*, a project must meet at least one of Citizens Against Government Waste’s seven criteria, but most satisfy at least two: [Ref 10]

1. Requested by only one chamber of Congress;
2. Not specifically authorized;
3. Not competitively awarded;
4. Not requested by the President;
5. Greatly exceeds the President’s budget request or the previous year’s funding;
6. Not the subject of congressional hearings; or
7. Serves only a local or special interest.

It would be incorrect to label all earmarks that meet just one of the above criteria as “pork” or politically motivated. Many of the earmarks we saw in the previous chapters

meet several of the criteria, and yet, we found that they were requested by the Marine Corps in their UPL submission. In other cases, we have programs that circumvent the normal process but that alone does not mean that they are “pork”. In some cases the DOD may not want to fund a program but that doesn’t mean it doesn’t merit funding. “During the Bush Administration, for example, Congress insisted on continued development of the V-22 Osprey tilt-rotor, which Secretary of Defense Cheney wanted to cancel.” [Ref 6] In the case of the V-22, the DOD wanted to cancel the program yet it remained a priority for the Marine Corps.

The MV-22 is the keystone of the aviation component of the Over-the-Horizon (OTH) triad since existing or projected helicopters lack either the range, speed, or lift capacity to execute an OTH operation successfully. The MV-22 has been Marine Aviation's highest priority program since May 1985. [Ref 14]

The argument is whether the Congress in its oversight of defense policy should be making adjustments in the DOD budget and adding items that were not requested in the President’s budget. “The simple fact that the DOD did not formally request something does not mean it is undeserving of funding, part of Congress's job is to determine whether agency priorities are appropriate.” [Ref 6]

Even though there are over twenty six hundred earmarks adjusting over \$12.2 billion, they still only make up less than 3 percent of the defense budget. We found that several of the earmarks are for fact-of-life changes and emergent requirements that transpired after the budget request was formally submitted. Through submission of the UPL, the DOD notified Congress of the priority items that were still needed by the department. Additionally, there were programs that required bridging funds to be added for multiple years until the programs could be formally put into the service POM.

As the defense budgets continue to reach historic size, in regard to total dollar amount, it is not surprising to see that Congressional earmarks would also continue to increase in total number and dollar amount. The Constitution has given the Congress the power to control the purse of the federal government. “No money shall be drawn from the treasury, but in consequence of appropriations made by law, and a regular statement



and account of receipts and expenditures of all public money shall be published from time to time.” [Ref 4] It would be in the conduct of its duties that Congress would continue greater oversight and to determine if DOD priorities are appropriate.

This has been a sample analysis of Congressional earmarks. What is clear from the outcome of this research is that not all earmarks should be broadly construed as “pork.” Earmarks are used to fund legitimate programs that were not prioritized high enough or identified early enough to make it into the DOD budget for the current year. Recommendations for further research are 1) Is it possible to clearly distinguish “pork” items in the DOD budget? 2) How does the DOD appropriation differ from (a) other appropriations (e.g. Department of Transportation) (b) the omnibus appropriation bills of 2001-2003. 3) What are the affects to DOD when the Congress makes reductions to the President’s budget in order to make room for Congressional additions.

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